



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

MARY A. LANNOYE
DIRECTOR

September 29, 2003

BUDGET LETTER

TO: Community College Presidents

Fiscal Year 2005 Budget Development Information
Due Date: October 28, 2003

Operating Funding

The state fiscal year 2005 budget is anticipated to be very constrained and each of you is therefore encouraged to implement all opportunities for economies and efficiencies in the operation of your institution. Consistent with past practice, it is anticipated that any recommended state aid change for community colleges will utilize the Gast-Mathieu formula and/or reflect a proportionate distribution approach. An individual college budget request for state operating funding is therefore not required.

Cost Containment

Please describe significant initiatives implemented by your institution to control costs in fiscal year 2004. In your description, please indicate the amount of annual savings or one-time savings you expect to achieve through each of these efforts. In addition, please describe new cost control initiatives that your institution plans on implementing in fiscal year 2005 and the anticipated savings resulting from each of these new efforts.

Performance Measures

Attached is a form for reporting performance measures for your institution. You may augment these performance measures by attaching a description of any other performance or productivity measures used by your institution for measuring instructional and/or non-instructional services and a description of how the data from these measures is used to allocate resources. If you have questions, please contact Glen Preston at (517) 335-1539.

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Submission Date

Please submit three copies of your cost containment initiatives and the performance measures by October 28, 2003 to Office of the State Budget, Office of Education and Infrastructure, George W. Romney Building, 6th Floor, 111 South Capitol, Lansing, Michigan 48913. The information received from community colleges regarding cost containment initiatives and performance/productivity measures will be considered during the development of the Governor's fiscal year 2005 Executive Budget. Portions of the information received in the budget process pertaining to cost containment initiatives and performance measures may be published as part of the budget presentation. Please view this as an opportunity for your institution to demonstrate its financial stewardship to the public.

I look forward to working with you in developing the fiscal year 2005 Executive Budget recommendations.

Sincerely,



Mary A. Lannoy
State Budget Director

Attachment

cc: Budget and Financial Officers
Data Coordinators
Thomas M. Bernthal, Michigan Community College Association
Mike Hansen, Senate Fiscal Agency
Kyle Jen, House Fiscal Agency
Office of Education and Infrastructure

PERFORMANCE MEASURES FOR COMMUNITY COLLEGES

Institution _____

Outcome Goals	FY02 ACTUAL	FY03 ACTUAL	FY04 ESTIMATED	FY05 GOAL
1. Maintain or improve percentage of graduates who find jobs (one-year placement rate for students using institution's existing reports to the federal government)				
2. Maintain or improve the success of students transferring to 4-year institutions (average first year GPA of transfer students)				
Date Completed _____				
Contact Person _____				
Phone Number _____				
E-Mail Address _____				

DEFINITIONS

COMMUNITY COLLEGES PERFORMANCE MEASURES

1. “Graduates” as used in **Performance Measure 1** means those students who have completed the requirements for an associate degree, or sufficient courses to be eligible for a license or certificate or the testing procedure for the license (certificate). Report the one year placement rate for graduates (to the nearest percent) as reported under existing reports to the federal government.
2. “Students transferring” as used in **Performance Measure 2** are those students who completed the requirements to transfer over 50 credits to a 4-year institution. Report the aggregate average first year GPA of all transfer students to 4-year institutions. Indicate NA if this information is not available.